Message Text

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CONFIDENTIALEC BRUSSELS 2125

E.O. 11652: GDS TAGS: EEC, EGEN

SUBJECT: CONVERSATION WITH EC COMMISSION PRESIDENT JENKINS

1. BOB SCHAETZEL AND I MET FOR ABOUT 40 MINUTES WITH COMMISSION PRESIDENT JENKINS MARCH 3. IN COURSE QUITE GENERAL DISCUSSION JENKINS MADE FOLLOWING POINTS:

A. MONDALE: JENKINS EXPRESSED HIS GREAT APPRECIATION FOR VICE PRESIDENT MONDALE'S VISIT. HE AGREED WITH SCHAETZEL'S OBSERVATION THAT IT UNFORTUNATE US MEDIA HAD UNDERPLAYED COMMUNITY ASPECT BUT OBSERVED THAT EUROPEAN PRESS HAD BEEN VERY POSITIVE.

B. TRADE: IF WE KEPT POLITICAL CONTEXT OF OVERALL IMPORTANCE COMMUNITY-AMERICAN RELATIONS IN MIND, WE COULD HANDLE ANY LIKELY TRADE PROBLEMS AND WE CERTAINLY SHOULD NOT PERMIT MARGINAL FRICTIONS WHICH WOULD ARISE FROM POISONING ATLANTIC RELATIONS. HE ASKED ABOUT STATUS SPECIALTY STEEL PROBLEM AND I REPLIED THERE WAS SOME MOVEMENT AND MIGHT BE MORE BEFORE END MARCH. IN ANY CASE, WE WOULD DISCUSS THIS AND COMMUNITY STEEL POLICY DURING APRIL CONSULTATIONS. HE EXPRESSED HOPE WE WOULD AVOID RESTRICTIONISM ON SHOES.

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C. ENERGY: HE ANTICIPATED MAKING REAL PROGRESS DURING HIS IMCUMBENCY ON EUROPEAN ENERGY POLICY AND EXPRESSED PLEASURE AT US WILLINGNESS PURSUANT TO VICE PRESIDNET'S INVITATION TO RECEIVE SENIOR OFFICIALS AND COMMISSIONER BRUNNER IN WASHINGTON THIS MONTH.

D. MONETARY POLICY: HE ENVISAGED EVENTUAL ACHIEVMENT
OF SITUATION WHERE US, EUROPE, AND JAPAN WOULD FLOAT WHILE
RELATIVE RATE STABILITY WAS MAINTAINED WITHIN COMMUNITY.
HE HAD BEEN IMPRESSED BY REFERENCE IN SCHMIDT-GISCARD
COMMUNIQUE THAT FRANCE MIGHT REENTER SNAKE LATE THIS YEAR.
BY MENTIONING HIS RECENT VISIT PARIS, HE PERMITTED US TO
INFER WITHOUT HIS SAYING SO THAT BARRE AND GISCARD ARE SERIOUS
ABOUT THIS. BYEARLY '78 HE THOUGH STERLING MIGHT BE
IN POSITION TO JOIN SNAKE. HE COMMENTED ON PARADOX
THAT INFLATION WOULD STILL BE SERIOUS PROBLEM IN BRITAIN
BUT THAT BALANCE OF PAYMENTS COULD BE STRONG.

E. NORTH-SOUTH: JENKINS SAID WE NEEDED APPROACH THAT MADE SENSE FOR DEVELOPED WORLD. "SOUP KITCHEN" POLICY OF LADLING OUT MINIMAL AID NEEDED TO CONTAIN LDC POLITICAL PRESSURES WAS WRONG. HE THOUGHT MAJOR INCREASE IN AID TO DEVELOPING COUNTRIES COULD PROVE TO BE KEY TO NON-INFLATIONARY EXPANSION OF DEVELOPED WORLD. (THIS SOUNDS LIKE CHEYSSON.)

F. PORTUGAL: I TOLD PRESIDENT I WAS INFORMALLY EXPLORING WITH HAFERKAMP AND ORTOLI POSSIBILITY OF COMMUNITY PARTICIPATION AS COMMUNITY IN PORGUGUESE CONSORTIUM. I NOTED THAT IT LIKELY USG WOULD LIMIT OFFICIAL APPROACHES TO GOVERNMENTS BUT THAT IF COMMUNITY COULD PARTICIPATE AS SUCH, I WAS CERTAIN CONTRIBUTION WOULD BE WELCOME. JENKINS SAID PORTUGUESE PROBLEM WAS MUCH ON HIS MIND (PRESUMABLY A REFERENCE TO THE ENLARGEMENT ISSUE) AND HE MUSED THAT MAJOR ASSISTANCE CONFIDENTIAL

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EFFORT WOULD BE REQUIRED TO PREPARE PORTUGAL FOR COMMUNITY MEMBERSHIP.HINTON

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